

## **Commonwealth of Virginia**



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### **Information Technology Resource Management Policy**

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## **ELECTRONIC COMMERCE IMPLEMENTATION**

## PREFACE

### PUBLICATION DESIGNATION

COV ITRM Policy 95-1

### SUBJECT

Statewide Implementation of Electronic Commerce

### EFFECTIVE DATE

August 8, 1995

### SCHEDULED CIM REVIEW

One year from effective date.

### AUTHORITY

*Code of Virginia*, §2.1-563.31 (Powers and Duties of the Council on Information Management)

### SCOPE

This policy is applicable to all State agencies and institutions of higher education (hereinafter referred to as agencies) that exchange routine business information, both within and outside State government.

### PURPOSE

This policy will provide the framework for implementing the use of electronic commerce in State government, transforming paper-based business transactions to the electronic exchange of data. Such reengineering will simplify and streamline business processes and promote customer service and cost effectiveness.

### OBJECTIVES

To encourage the establishment and implementation of a unified, statewide approach to electronic commerce in such a manner that the public/private infrastructure is expanded, creating a more favorable business climate in Virginia.

To support the use of nationally and internationally recognized data formats that serve to broaden and ease the interchange of data.

To identify agency responsibilities for selecting, implementing, operating and maintaining systems which support electronic commerce.

### DEFINITIONS

**Electronic Commerce** is the paperless exchange of business information using EDI, electronic mail (E-mail), electronic bulletin

boards, electronic funds transfer (EFT), and other similar technologies.

**Electronic Data Interchange (EDI)** is the computer-to-computer, application-to-application exchange of structured business data in a standard format.

**Electronic Funds Transfer** is the transfer of funds electronically through an automated clearinghouse network.

**E-mail** is a method of exchanging mail messages by way of a computer system. The messages are stored on a mutually shared system and users can send and receive messages at their own convenience.

**American National Standards Institute (ANSI)** is a private, nonprofit organization devoted to development of voluntary standards.

**ASC X12** is the ANSI committee responsible for the development and maintenance of standards for EDI.

**Translator** is software for converting output from a system to a standardized transaction set.

**Value-added network** is a communications network that transmits, receives, and stores EDI messages for EDI trading partners.

### GENERAL RESPONSIBILITIES

In accordance with the *Code of Virginia*, the following provisions apply:

#### *The Council on Information Management (CIM)*

Responsible for directing the development and promulgation of policies, standards, and guidelines for managing information technology resources in the Commonwealth.

#### *Advisory Committees*

Responsible for meeting, conferring with, and advising the Council in the development of the Commonwealth's policies, standards, and guidelines for managing information technology resources.

#### *All State Agencies*

Responsible for complying with the Council's policies, standards, and guidelines for managing information technology resources in the Commonwealth.

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## SECTION I

### INTRODUCTION

The increased role of computers in the workplace is triggering major changes in the organization of work within government. Paper-driven processes are being reengineered to capture the benefits of doing business electronically. Government traditionally manages business functions such as acquisition of goods and services as a series of independent and unrelated activities. Moving to electronic commerce (EC) will simplify and streamline such processes and promote customer service and cost-effectiveness.

It is the policy of the Commonwealth that agencies and institutions incorporate electronic commerce into their business practices in order to meet reduced budgets, added responsibilities and realize the benefits of paperless operations. Implementing Electronic Commerce can, and will, fundamentally improve the way government operates.

Effective implementation of EC in government must meet the following five imperatives:

- Government must present a single face to the public through the adoption of a consistent set of electronic interfaces.
- Nationally and internationally recognized standard data formats must be used to facilitate the exchange of data where appropriate.
- Transactions must be standardized, timely, accurate, and reliable.
- Agencies must use established commercial practices and products where effective.
- Agency acquisition information required by suppliers should be electronically available to them.

The infrastructure required to support EC must include a telecommunication capability that is efficient, reliable, and capable of accommodating increased volume generated by EC transactions. It must ensure easy and equitable access for all agencies and trading partners alike. Access to standard shared data bases, such as those for trading partner registration, with the appropriate levels of security is a critical component of the infrastructure.

## **SECTION II**

### **IMPLEMENTATION STRATEGY**

The policy recommendations are centered around the need to present a "single face to the public." In so doing, the process of conducting business with government is both simplified and standardized by reducing the need for business partners to deal with a different way of doing business with each agency. This "single face" is also critical for opening up opportunities for greater efficiencies within State government.

The core elements of an implementation strategy are as follows:

- Encourage the proliferation of standards-based electronic commerce within State government.
- Disseminate information regarding implementation of electronic commerce.
- Encourage exploration of opportunities for resource sharing.
- Participate in standards development organizations.
- Promote the awareness of incentives such as financial timeliness and ease of service.

## SECTION III

### PRIMARY RESPONSIBILITIES

The ability to fully capture the benefits of EC is constrained by common business practices that have their basis either in legislation or governmental accounting and fiscal guidelines, by agency self-imposed restrictions, by the lack of coordination between the government's diverse agencies in the collection and sharing of information and by government's inability or hesitance to implement use of technology quickly.

Primary responsibilities for addressing and eliminating the barriers to full efficiencies are:

The Council on Information Management will:

- Promote the proliferation of standard-based electronic commerce within State government.
- Develop appropriate policies, standards and guidelines as required for the design and implementation of EC business systems.
- Designate the Technology Architecture Committee as a coordinating committee for electronic commerce.

The Technology Architecture Committee will:

- Coordinate electronic commerce implementation efforts throughout State government.
- Foster a public/private dialogue on opportunities available through electronic commerce.
- Advocate agency and institutional participation in standards development organizations.

The Central Service Agencies will:

- Enable central service systems for electronic commerce.
- Develop model specifications for translators, value-added networks, and business systems that support electronic commerce.
- Develop and maintain electronic transaction data models for common data.

The Department of Information Technology will:

- Provide a cost-effective telecommunications infrastructure that supports electronic commerce.
- Support and maintain EDI software for use by agencies where feasible or desired.

All State agencies will:

- Evaluate opportunities for implementing electronic commerce.
- Identify agency customers and suppliers to define data interchange requirements and business practices.
- Enable their business applications to take advantage of electronic commerce.
- Provide representation for appropriate standards activities.
- Incorporate evaluation of electronic commerce into information technology resource management planning process.